



April 11, 2003

Pryce Releases Tax Facts on 2003 Filing Season

House Republican Conference Chairman Deborah Pryce (R-OH) today released a series of facts on the 2003 tax filing season, highlighting changes in the tax code since Congress passed the President's tax plan.

"Americans today continue to be caught in a tax trap," said Pryce. "They work harder yet end up keeping less and less of what they earn. Hardworking taxpayers demand and deserve a fairer, simpler tax code so that April 15th will be just another day."

2003 Tax Facts

U.S. Population: (2002 projected):ⁱ 280.3 million

Individual Income Tax Returns Filed

(Calendar Year 2003 projected):ⁱⁱ

Individual income	132.332 million
Forms 1040, 1040A, 1040EZ, and 1040PC	131.686 million
Paper Returns	77.376 million
Electronically-filed returns	54.310 million
Business returns	20.445 million

Filers Using Professional Preparers (Tax Year 2000 revised):ⁱⁱⁱ

All Returns	69.115 million
Form 1040EZ	958 thousand
Form 1040A	4.180 million
Form 1040, total	63.977 million
Electronically filed	26.223 million

Estimated Preparation Time (Tax Year 2002)^{iv}

Form 1040	13 hr., 10 min.
Schedule A (Itemized Deductions)	5 hr., 37 min.
Schedule B (Interest & Dividend Income)	1 hr., 26 min.
Schedule C (Profit or loss from a Business)	10 hr., 35 min
Schedule D (Capital gains and losses)	7 hr., 36 minutes

Miscellaneous Statistics (Tax Year 2000):^v

Filers Who Itemize:	42.534 million	(32.9%)
Filers with Contribution Deductions:	37.525 million	(29%)
Filers with Interest Deductions	35.405 million	(27.4%)
Filers with Medical Deductions:	6.513 million	(5.0%)
Filers with Taxable Net Gains:	16.000 million	(12.4%)
Filers with Taxable Net Losses:	6.875 million	(5.3%)
Filers with Dividend Income:	34.141 million	(26.4%)
Filers with Taxable Interest Income:	68.046 million	(52.6%)

Filing Status

Single Filers:	58.3 million	(45%)
Joint Filers:	50.3 million	(38.9%)
Married Filing Separately:	2.5 million	(1.9%)
Head of Household:	18.2 million	(14.0%)

Number of Returns with Presidential Election

Campaign Fund Checkoff: (Preliminary, Tax Year 2000)^{vi} 13.9 million (10.8%)

Federal Tax Revenues:^{vii}

Total Taxes Paid (Fiscal Year 2001): \$1.991 trillion

Individual Income Taxes:	\$994 billion	(49.9%)
Social Insurance Taxes:	\$694 billion	(34.8%)
Corporate Income Taxes:	\$151 billion	(7.6%)
Other (excise, estate, and others):	\$152 billion	(7.6%)

Income Taxes Due^{viii}

Taxable Income for Tax Year 2002, Taxes Payable by April 15th, 2003

Income Taxes Due*

Taxable Income	Single Filer	Joint Filer
\$10,000.	\$1,200.	\$1,000.
\$20,000.	\$2,700.	\$2,400.
\$30,000.	\$4,446.	\$3,900.
\$40,000.	\$7,146.	\$5,400.
\$50,000.	\$9,846.	\$7,296.
\$60,000.	\$12,546.	\$9,996.
\$70,000.	\$15,315.	\$12,696.
\$80,000.	\$18,315.	\$15,396.
\$90,000.	\$21,315.	\$18,096.
\$100,000.	\$24,315.	\$20,796.

*Taxes may be reduced as the result of personal tax credits.

Tax Rates ^{ix}			
Taxable Income for Tax Year 2003, Taxes Payable by April 2004			
Single Filer		Joint Filer	
Taxable Income	Tax Rate	Taxable Income	Tax Rate
\$0 to \$6,000	10%	\$0 to \$12,000	10%
\$6,001 to \$28,400	15%	\$12,001 to \$47,450	15%
\$28,401 to \$68,800	27%	\$47,451 to \$114,650	27%
\$68,801 to \$143,500	30%	\$114,651 to \$174,700	30%
\$143,501 to \$311,950	35%	\$174,701 to \$311,950	35%
Over \$311,951	38.6%	Over \$311,951	38.6%

Who Pays The Income Tax?^x
Calendar Year 2001

Income Category	Share of Returns	Share of Income Taxes
\$200,000 and over	2.70%	49.70%
\$100,000 to \$200,000	9.00%	23.90%
\$75,000 to \$100,000	9.10%	11.60%
\$50,000 to \$75,000	15.40%	10.60%
\$40,000 to \$50,000	9.20%	3.50%
\$30,000 to \$40,000	11.10%	2.40%
\$20,000 to \$30,000	13.00%	0.40%
\$10,000 to \$20,000*	16.40%	-1.30%
Less than \$10,000*	14.00%	-0.70%

*Due to cash payments for child tax credit and earned income tax credit.

Payroll Taxes

Employee Tax Rate	7.65%
Employer Tax Rate	7.65%
Social Security or Old Age and Survivor's Disability Insurance Portion	6.2%
Medicare, or Hospital Insurance Portion	1.45%
Self Employed Tax Rate	15.3%
Maximum Taxable Earnings Base for 2003	
Social Security	\$87,000
Medicare	Unlimited
Maximum Tax for 2003	
Social Security	\$5,394 (\$10,788 for <i>both</i> employer and employee share)
Medicare	Unlimited

Age Which Workers Must Reach to Fully Recover the Combined Employer-Employee Social Security Taxes Plus Interest^{xi}

(Based on Retirement at Age 65 Without Dependent Spouse)

Year of Retirement	Minimum Earner*	Average Earner*	Maximum Earner*
1940	65	65	65
1960	66	67	67
1980	68	69	69
2000	82	91	104
2010	86	97	127
2020	87	97	169
2030	84	95	186

Minimum earner: \$10,712; Average earner \$34,731; Maximum earner \$87,000 – in 2003

The Earned Income Credit (TY 2000):^{xii}

Number of Returns Claiming an EIC 19.3 million

Number of Returns With Refundable Earned Income Credit 16.1 million

Maximum Allowable Adjusted Gross Income Required to Qualify (TY 2002):^{xiii}

Taxpayers with Two Children:	\$33,150	\$34,178 (joint returns)
Taxpayers with One Child:	\$29,200	\$30,200 (joint returns)
Taxpayers with No Children:	\$11,050	\$12,050 (joint returns)

Maximum Annual Credit (TY 2001)

Recipients with Two Children:	\$4,140
Recipients with One Child:	\$2,506
Recipients with No Children:	\$376

Percentage of Recipients (TY 1999):

With Two or more Children:	42%
With One child:	40%
With No Children:	18%

The Internal Revenue Code:

Number of Words: The complete code is more than 21 megabytes in length, and contains more than 2.8 million words; printed 60 lines to the page, it would fill almost 6,000 letter-size pages.^{xiv}

War and Peace:

Number of Words: 660,000^{xv}

The Bible:

Number of Words: 774,746^{xvi}

The Internal Revenue Service (Fiscal Year 2003):^{xvii}

Annual Budget: \$9,899,293,000

Number of Employees: 99,155

The F.B.I. (Fiscal Year 2002):^{xviii}

Annual Budget: \$4,200,000,000

Number of Special Agents: 12,582 agents (including those reimbursably funded)

The Border Patrol (Fiscal Year 2002):^{xix}

Annual Budget: \$1,500,000,000

Number of Agents: 10,551 agents

i. Census Bureau population estimate (Middle Series) as of July 1, 2002. See the following:

<http://www.irs.gov/taxstats/display/0,,i1%3D40%26genericId%3D16840,00.html>.

ii. The Internal Revenue Service, Statistics of Income Bulletin, Fall 2002, p. 291.

iii. The Internal Revenue Service, Statistics of Income Bulletin, Fall 2002, p. 292.

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- iv. The Internal Revenue Service, 2002 Form 1040 Instructions, p. 76.
 - v. The Internal Revenue Service, Statistics of Income Bulletin, Fall 2002, pp. 7-44, 251.
 - vi. The Internal Revenue Service, Statistics of Income Bulletin, Winter 2001-2002, p. 183.
 - vii. Congressional Budget Office. The Budget and Economic Outlook: Fiscal Years 2003-2012. January 2002.
 - viii. Department of the Treasury, Internal Revenue Service, Your Federal Income Tax 2001, p. 260.
 - ix. Library of Congress. Congressional Research Service.
 - x. Joint Committee on Taxation. Updated distribution of Certain Federal Tax Liabilities by Income Class for Calendar Year 2001. August 2001.
 - xi. Excludes taxes for disability insurance. Source: Congressional Research Service, "Social Security: The Relationship of Taxes and Benefits for Post, Present, and Future Retirees," Update of Table 1 of CRS Report RL31034, April 2, 2003.
 - xii. Internal Revenue Service, Statistics of Income Bulletin, Fall, 2002. An adobe Acrobat version of the publication is available at <http://www.irs.gov/pub/irs-soi/00indtr.pdf>.
 - xiii. Income amounts are rounded to reflect the \$50 increments in IRS tables. At these maximum income amounts the earned income tax credit has been reduced to \$0. A tax filer must earn less than these amounts to qualify for the earned income credit. Beginning in tax year 2002, the income at which the credit begins to be reduced is \$1,000 higher for married taxpayers filing a joint tax return. This results in a comparable increase in the income level at which the credit has been reduced to \$0.
 - xiv. U.S. Tax Code On Line. See the following: <http://www.fourmilab.ch/uscode/26usc/>.
 - xv. The Library of Congress, Congressional Research Service.
 - xvi. The Library of Congress, Congressional Research Service.
 - xvii. Public Law 108-7.
 - xviii. The Library of Congress, Congressional Research Service.
 - xix. The Library of Congress, Congressional Research Service.